

FAMILIES HELPING FAMILIES
OF GREATER NEW ORLEANS, INC.

Audit of Financial Statements

June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/10/10

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

Financial Statements

June 30, 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Families Helping Families of Greater New Orleans, Inc.

We have audited the accompanying statement of financial position of Families Helping Families of Greater New Orleans, Inc. (a nonprofit organization) (the Organization) as of June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2009, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local*

Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Taylor & Willis CPAs LLC

Taylor & Willis CPAs LLC

Metairie, LA

December 17, 2009

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Current Assets

Cash and cash equivalents	\$ 450,568
Grants receivable	122,202
Due from affiliates	13,764
Prepaid and other current assets	17,655
Total current assets	<u>604,189</u>

Property and equipment, net

18,672

Other Assets

Prepaid lease expense, net	<u>4,500</u>
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Total assets

\$ 627,361

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 11,008
Deferred revenue	3,509
Accrued payroll liabilities	32,913
Accrued annual leave	21,967
Total current liabilities	<u>69,397</u>

Net Assets

Unrestricted	<u>557,964</u>
Total net assets	<u>557,964</u>

Total liabilities and net assets

\$ 627,361

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Revenues and Other Support	<u>Unrestricted</u>
Grant appropriations	\$ 974,259
Other income	<u>47,060</u>
Total Revenues and Other Support	<u>1,021,319</u>
 Expenses	
Program services - Information and education	\$ 898,777
Supporting services - General and administrative	<u>69,777</u>
Total Expenses	<u>968,554</u>
 Increase in net assets	 52,765
 Net assets, beginning of year	 <u>505,199</u>
 Net assets, end of year	 <u><u>\$ 557,964</u></u>

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 52,765
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	6,847
(Increase) decrease in operating assets:	
Grants receivable	89,477
Other receivables	1,505
Due from Affiliates	-
Prepaid and other current assets	(9,890)
Increase (decrease) in operating liabilities	
Accounts payable and accrued payroll liabilities	(5,523)
Deferred revenue	3,509
Accrued annual leave	(4,846)
Net cash provided by (used in) operating activities	<u>133,844</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of equipment	<u>5,000</u>
Net cash used in investing activities	<u>5,000</u>

Net decrease in cash and cash equivalents 138,844

Cash and cash equivalents, beginning of year 311,724

Cash and cash equivalents, end of year **\$ 450,568**

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Program Services</u>	<u>Supporting Services</u>	
	Information and Education	General and Administrative	Total
Expenses			
Personnel costs	\$ 562,568	\$ 49,216	\$ 611,784
Contract services	102,159	-	102,159
Occupancy	39,133	7,864	46,997
Travel	30,452	-	30,452
Printing	27,682	763	28,445
Insurance	20,969	5,093	26,062
Conference expenses	16,254	-	16,254
Postage	12,722	372	13,094
Telephone	11,529	945	12,474
Training expenses	7,744	880	8,624
Supplies	7,213	763	7,976
Depreciation	6,847	-	6,847
Repairs and maintenance	4,236	148	4,384
Equipment lease expense	2,203	245	2,448
Other expenses	47,066	3,488	50,554
	<hr/>	<hr/>	<hr/>
Total Expenses	898,777	69,777	968,554

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Note 1 – Summary of Significant Accounting Policies

a. Nature of Organization and Programs

Families Helping Families of Greater New Orleans, Inc. (the Organization) is a non-profit corporation organized under the laws of the State of Louisiana and operates primarily in Jefferson Parish. The Organization's single program is to provide informational support and educational services to area families who have family members with special needs (disabilities) through a coordinated network of resources, support and services. The primary sources of revenue are from Federal, State and local grants.

b. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

c. Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 116 and SFAS 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

1. Unrestricted Net Assets – limited only by the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors and others entered into by the Organization in the course of its business
2. Temporarily Restricted Net Assets – assets whose restrictions lapse with the passage of time or the satisfaction of a donor imposed restriction
3. Permanently Restricted Net Assets – assets whose restrictions do not lapse with the passage of time and cannot be lifted by the satisfaction of a donor imposed restriction.

Presently, the Organization has no temporarily or permanently restricted net assets.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

d. In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Significant portions of the Organization's functions are conducted by unpaid officers, board members and volunteers. The value of this contributed time is not reflected in the accompanying financial statements as they do not create nonfinancial assets nor are they specialized services as described in SFAS No. 116.

e. Revenue Recognition

The Organization records contributions it receives as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization receives contributions in the form of "grants" and as cash and noncash donations.

In cases where the contribution is received with a donor restriction, the Organization will record an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Grant revenue is recognized as it is earned in accordance with approved contracts.

f. Grants Receivable

Grants receivable consists of amounts due from the State of Louisiana for grants and cost reimbursement programs. These amounts are presented at fair value and management estimates that all are collectable

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

h. Property and Equipment

The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method over a five to seven year period. Donations of property and equipment are recorded at estimated fair market value on the date of donation. These assets are recorded as unrestricted net assets unless a donor imposes a restriction. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period. The cost of repairs and maintenance is charged to expense as incurred; significant renewals and betterments are capitalized. Deductions are made of retirements resulting from renewals or betterments.

i. Income Taxes

The Organization is operating under Section 501c (3) of the Internal Revenue Code, and is exempt from federal, state and local income taxes on all revenues not related to business activities. Accordingly, no provision for income taxes is included in the financial statements. This organization has been classified as an organization that is not a private foundation under Section 509(A). The Organization had no business activity in the fiscal year ended June 30, 2009.

j. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Organization considers all unrestricted cash and other highly liquid investments, which can be converted into known amounts of cash in the short term to be cash equivalents.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Note 1 – Summary of Significant Accounting Policies (continued)

k. Accrued Compensated Absences

The Organization allows the accrual of vacation and sick leave on all full-time employees who have successfully completed six (6) months of employment at a rate of seven (7) hours of vacation and sick time per month. Thereafter, employees who work twenty hours or more and work a minimum of 1,040 hours per year and who have successfully completed the one-year probation will be allowed to earn:

1. One week for the first two years of employment. To be used after years one and two.
2. Two weeks for years three through five of employment. To be used after years three, four and five
3. Three weeks for years six through nine of employment. To be used after years six, seven, eight and nine.
4. Four weeks for ten or more years of employment. To be used after year ten and subsequent years.

A maximum of four vacation weeks can be accumulated. Once an employee has accumulated four vacation weeks of vacation leave, the employee stops accruing vacation leave. Upon separation from employment, an employee shall receive that amount of vacation accrued (no more than four weeks of defined work days) by effective date of separation. No employee will be paid for accrued vacation leave, except for the policy stated above, except at termination. Payment for accrued vacation leave will not be made until the employee's last working day has ended.

l. Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. The Organization's policy is to charge costs to the specific programs and supporting services benefited. Accordingly, expenses specifically identifiable to a function are charged directly to that function. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

m. Deferred Revenue

Advances from grants are deferred and recognized over the periods to which the expenses are incurred.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Note 2 – Grants Receivable

The Organization has the following amounts receivable from grants at June 30, 2009:

Jefferson Parish Human Service Authority	\$ 38,232
U.S. Department of Education – Project Prompt	35,314
Louisiana Department of Education	25,591
Louisiana Department of Health and Hospitals	15,614
Office for Citizens with Developmental Disabilities	4,143
Related to Charlene Comstack Gallagher - Speaker	3,308
Total Grants Receivable	<u>\$122,202</u>

Grants receivable are considered fully collectible; therefore, management does not consider an allowance for doubtful accounts to be necessary.

As of June 30, 2009, amounts owed from the Project Prompt Grant, the Jefferson Parish Human Service Authority and the Louisiana Department of Education represents 81% of receivables. This amount represents a significant concentration of credit risk

Note 3 – Prepaid Expenses

Prepaid expenses for the year ended June 30, 2009 are as follows:

Copier Lease Payment	\$ 256
Prepaid Conference Expense	3,509
Prepaid Worker's Compensation Insurance	4,125
Prepaid Liability Insurance	2,111
Prepaid Health Insurance	2,979
Prepaid Rent	4,675
Total Prepaid Expenses	<u>\$17,655</u>

Note 4 – Subsequent Events

Subsequent events have been evaluated through December 30, 2009 which is the date the financial statements were issued.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Note 5 – Property and Equipment

Property and equipment and depreciation activity for the year ended June 30, 2009 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment	\$ 46,466	\$ -	\$ 13,330	\$ 33,136
Total	46,466	-	13,330	33,136
Less:				
Accumulated Depreciation	(15,947)	(6,847)	(8,330)	(14,464)
Property and Equipment, Net	\$ 30,519			\$ 18,672

a. Depreciation expense for the year ended June 30, 2009 was \$6,847.

Note 6 – Concentrations

A substantial portion of the Organization's support and revenue is derived from grants for the programs conducted. The various grants are approved on a year-to-year basis. Any unexpended grant funds or unauthorized expenditures must be refunded. The Organization received approximately 95% of its total revenues from Federal and State grantors.

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash deposits exceeded the Federal Deposit Insurance Corporation limits by \$2,497 at the fiscal year ended June 30, 2009.

Note 7 – Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the U.S. Department of Education, the Louisiana Department of Education, the Louisiana Department of Health and Hospitals and the Jefferson Parish Human Service Authority. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time, although the Organization expects any such amounts to be immaterial.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Note 8 – Lease Commitments

- a. The Organization leases its administrative and program offices under an operating lease expiring January 31, 2010. The rental expenses totaled \$46,997 for the year ended June 30, 2009. Management is in the process of negotiating a new lease and anticipates a minor increase in the rental rate.

Future minimum lease payments are as follows:

2010	<u>\$30,576</u>
Total	<u>\$30,576</u>

- b. The Organization leases a copy machine under an operating lease expiring November 25, 2013. The rental expenses totaled \$2,830 for the year ended June 30, 2009.

Future minimum lease payments are as follows:

2010	<u>\$ 2,830</u>
2011	2,830
2012	2,830
2013	<u>1,179</u>
Total	<u>9,669</u>

Note 9 – Related Party Transactions

During the year ended June 30, 2008, the Organization loaned Families Helping Families of South East Louisiana (FHF SELA) \$13,764 to help FHF SELA begin operations. The loan bears no interest and there are no specific repayment terms. FHF SELA is an organization affiliated with the Organization; they are the Families Helping Families operating unit in Southeast Louisiana. The current executive director for FHF SELA is a former employee of the Organization.

Note 10 – Third Party Revenues

A substantial share of contract revenues for services to clients is derived under a state third-party reimbursement program. These revenues are based, in part, on cost reimbursement principles and are subject to adjustments by the respective third-party providers. Retroactive adjustments, if any, would not be material to the financial position or results of operations of the Organization.

OMB CIRCULAR A-133 SECTION

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

FEDERAL GRANTOR / PASS-THROUGH AGENCY/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. Department of Education		
Direct Award		
Project Prompt	84.328M	\$ 331,793
Passed through Louisiana Department of Health and Hospitals		
Office for Citizens with Developmental Disabilities	84.181A	24,310
Passed through Louisiana Department of Education		
LASIG	84.323A	25,909
IDEA - Part B Set Aside	84.027A	71,860
Total U.S. Department of Education		453,872
U.S. Department of Health and Human Resources:		
Funds passed through the Louisiana State Planning Council on Developmental Disabilities		
Family Resource Center	93.630	1,329
Stipends	93.630	4,005
Funds passed through the Louisiana Department of Health and Hospitals		
Children's Special Health Services	93.994	39,419
OMH - Family Resource Center	93.958	48,836
Total U.S. Department of Health and Human Resources		93,589
Total Expenditures of Federal Awards		\$ 547,461

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Families Helping Families of Greater New Orleans, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.



REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Families Helping Families of Greater New Orleans, Inc.

We have audited the financial statements of Families Helping Families of Greater New Orleans, Inc. (a nonprofit organization) (the Organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly,

we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Families Helping Families of Greater New Orleans, Inc. in a separate letter dated December 18, 2009.

This report is intended solely for the information and use of the Board of Directors, management, *federal awarding agencies* and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Taylor & Willis CPAs LLC

Taylor & Willis CPAs LLC

Metairie, LA
December 17, 2009



REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Families Helping Families of Greater New Orleans, Inc.

Compliance

We have audited the compliance of Families Helping Families of Greater New Orleans, Inc. (a nonprofit organization) (the Organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of

performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, *federal awarding agencies* and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

Taylor & Willis CPAs LLC

Taylor & Willis CPAs LLC

Metairie, LA

December 17, 2009

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- * Material weakness(es) identified? ___ yes X no
- * Significant deficiencies identified that are not ___ yes X none reported
 considered to be material weaknesses?

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? ___ yes X no
- * Significant deficiencies identified that are not ___ yes X none reported
 considered to be material weaknesses?

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in
accordance with section 510(a) of Circular A-133: ___ yes X no

Identification of major programs:

<u>Name of Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Special Education – Parent Information Centers	84.328M	<u>\$ 331,793</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ___ yes X no

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II: FINDINGS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE
WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

NONE

SECTION III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

2008-01

Condition: The accounts payable balances were misstated and the misstatement was not detected or corrected by management during the normal course of their duties.

Status: This finding was resolved during the fiscal year ended June 30, 2009.